Answers to Comments from Industry Ft Hood, TX Utility Partnering Concept (UPC) Draft Solicitation SP0600-01-R-0084, issued June 28, 2001

1. Question: Can an offeror bid on any [one] part of the solicitation?

Answer: Yes. Please refer to the DD Form 1707, INFORMATION TO OFFERORS OR QUOTERS, Block 6.C.

2. Comment: Reference: SP0600-01-R-0084, Module 2, Integrator -- In Attachment 1, Fort Hood UPC Integrator Incentive Plan, dated 27 June 2001, A-1.3, the evaluation criteria for award fees should be a collaborative agreement between the Government and the contractor as opposed to "evaluation criteria specified by the Government." We suggest the following wording:

"The evaluation criteria shall be jointly developed between the Government and the contractor ensuring measurable, achievable, verifiable, and realistic goals."

Both parties must agree to the final evaluation criteria prior to implementation. This type of modified award fee process will generate a more trusting relationship between the contractor and the Government.

Answer: FAR 16.406(e)(3) states that award-fee clauses in solicitations and contracts must contain the award amount and award-fee determination methodology from unilateral decisions made solely at the discretion of the Government.

3. Comment: In our efforts to review and determine the feasibility of the <u>DRAFT Proposal</u> for Fort Hood energy services there has to be a clear way to determine what is the "Base Line Offer" for evaluating offers from REPs [Retail Energy Providers]. It has to be determined how will you evaluate the proposals to ensure that you are evaluating apples to apples. Having some REPs to submit proposals on the entire RFP vs. REPs that submit proposals on a piece of the RFP would offer different pricing structures meaning that the evaluation would not be equal nor compatible.

Answer: Each module will be evaluated individually. Should an offeror win one or more modules, these can be combined under one contract.

4. Question: How will you determine guidelines for the electric commodity vendor to work with the performance/demand side services group.

Ex: If you are in a commodity contract for XX kw on an annual base and the performance/demand side services group is working to reduce total electric energy consumption (over 12-months period) this will have an adverse affect on your contract pricing for the commodity. Your commodity contract is based upon a block of energy for a give period of time therefore, if that block of energy is not used or over used, you enter into a swing situation which has financial repercussions.

Answer: Commodity vendor's risk. The demand side project (ESPC) is currently underway. Potential Energy Savings Measures will be identified by the energy savings company prior to the closing date for this solicitation.

5. Question: What type of contractual agreement or mechanisms would be in place to ensure that all REPs/vendors are working in the best interest of DESC/Fort Hood and not focusing on just protecting their own contract interest.

Answer: The only potential Conflict of Interest is in relation to the Integrator being a Commodity supplier. The Integrator Module of SP0600-01-R-0084 will contain language requiring the contractor to certify there are "internal firewalls" to protect against Conflicts of Interest.

6. Comment: Recommend a meeting/RFP discussion meeting prior to the release of the RFP at the Fort Hood, TX facility to review the facilities, an opportunity to meet Fort Hood, TX energy management team, and discuss the RFP expected services for the facility.

Answer: A pre-solicitation conference is not feasible, given the Government's milestones for this acquisition. As stated in Block 6.E. of the DD Form 1707, a pre-proposal conference will be scheduled.

7. Comment: Recommend that you evaluate the time frame for requesting REP's to hold their commodity, electric and gas, prices open. In the best interest offering the Government the best available prices on commodity, electric and gas, that means that the Government should be able to make a purchasing decision to buy immediately. Holding prices open for electric and gas for 48 hours is costly.

Answer: Through historical purchasing of electricity on long term, best value contracts, the Government considers the 48-hour window for electricity prices to be both reasonable and normal. Module I (of SP0600-01-R-0084), Natural Gas Commodity, specifies Fixed Price w/EPA and does not specify a 48 hour window for natural gas final price revision s. Refer to L2.08-2(e)(3) in Module I.

8. Comment: Recommend adding exact time periods for the requested services/scope of work/RFP

Answer: Time periods applicable to each requirement are incorporated into the individual modules. Time periods have been clarified in all modules.

9. Comment: Recommend adding a section at the end of each scope of work (RFP) with the required forms for that particular section (Simplifying the RFP and what information is required to be submitted).

Answer: DESC will explore this request..

10. Comment: Recommend adding a table of contents to the RFP. This will ensure that the REPs do not overlook any required information relating to the requested scope of work.

Answer: Most modules will contain an Index of Clauses.

11. Comment: Recommend reviewing the time line for REPs to respond to the RFP.

Answer: Noted.

12. Comment: It will be in the best interest of DESC and Fort Hood to strongly consider having one REP to handle all of the requested services.

Answer: Solicitation SP0600-01-R-0084 is structured to avoid "Contract Bundling," per the Small Business Reauthorization Act of 1997, Subtitle B, Section 411, amending Section 2 of the Small Business Act.